

HORMEL FOODS CORPORATION
LONG-TERM HOG PROCUREMENT AGREEMENT III

This Long-Term Hog Procurement Agreement III ("Agreement") is made and entered into effective _____, _____ by and between the undersigned producer of hogs ("Producer") and Hormel Foods Corporation, with its principal offices in Austin, Minnesota ("Hormel Foods").

1. TERM AND QUANTITY.

(a) The term of this Agreement shall commence on the effective date set forth above and shall continue for the greater of five (5) years or the remaining initial term of the Previous Agreement, as defined in paragraph 3.(a), if any. The parties agree that the expiration date of this Agreement shall be _____, _____ subject to termination pursuant to paragraph 6.

(b) Producer agrees to supply the following quantity of market hogs to Hormel Foods under this Agreement:

(1) _____ hogs per month; or

(2) All hogs produced from a _____ sow farrowing operation, not to exceed _____ hogs per year (approximately _____ hogs per month); or

(3) All hogs produced from Producer's hog production operation, not to exceed _____ hogs per year (approximately _____ hogs per month); or

(4) _____
_____.

(c) If Producer utilizes an "all-in/all-out" or batch operation, deliveries must average the monthly quantity set forth above.

(d) Any variances in deliveries from the quantity set forth above, including without limitation any excess quantity intended to compensate for a prior deficit quantity and vice versa, shall be accepted only at the discretion of Hormel Foods.

(e) Producer acknowledges that Hormel Foods' payment of a Guaranteed Minimum Price as set forth in paragraph 2. is made in reliance upon Producer's promise to remain in Hormel Foods' Long-Term Hog Procurement Program and perform under this Agreement for the entire term of the contract.

2. PRICE.

(a) The "Floor Price Matrix" shall be the Floor Price Matrix attached to this Agreement and incorporated herein by this reference. As shown in the Floor Price Matrix, the price per live cwt. set forth in the Floor Price Matrix is determined utilizing a twenty (20) week moving average of Omaha corn and Decatur/Central Illinois 44% soymeal prices. The Floor Price Matrix shall not change during the term of this Agreement unless

materially significant changes in pork production practices occur, in which case Hormel Foods may in good faith modify the Floor Price Matrix to reflect such changes.

(b) The "Matrix Price" shall be equal to the price per carcass cwt. determined by converting the price per live cwt. set forth in the Floor Price Matrix to a price per carcass cwt. utilizing the average yield and average Carcass Buying Program percentage of Market Base Price for Hormel Foods' long-term contracted hogs. The average yield and average Carcass Buying Program percentage of Market Base Price for Hormel Foods' long-term contracted hogs to be used in determining the Matrix Price and the Guaranteed Minimum Price shall be calculated by Hormel Foods initially on July 1, 1999 and thereafter on an annual basis on the first Monday in November of each year, starting on November 6, 2000, and at any time the Hormel Foods' Carcass Buying Program is changed, in each case for use until the next such calculation. All such calculations shall be conclusive absent manifest error.

(c) The "Market Base Price" shall be the average price per carcass cwt. of the prior week's (Monday - Friday) daily 10:00 a.m. Hormel Foods' plant delivered hog prices. In the event Hormel Foods discontinues spot purchases of hogs and no longer establishes such a plant delivered hog price, then the Market Base Price shall be equal to a rolling average of hog prices reported by an industry source as determined by Hormel Foods and uniformly utilized in its Long-Term Hog Procurement Program.

(d) The "Guaranteed Minimum Price" shall be equal to the price per carcass cwt. determined by converting the price per live cwt. set forth in the Floor Price Matrix minus Four Dollars (\$4.00) per live cwt. to a price per carcass cwt. utilizing the average yield and average Carcass Buying Program percentage of Market Base Price for Hormel Foods' long-term contracted hogs, except as provided in paragraph 3.(d).

(e) The "Contract Price" to be paid Producer for contracted hogs delivered to Hormel Foods shall be determined by Hormel Foods as follows:

(1) Hormel Foods shall calculate the Matrix Price, the Market Base Price and the Guaranteed Minimum Price each week as set forth above.

(2) The Contract Price shall be equal to the midpoint between the Matrix Price and the Market Base Price; provided, that the Contract Price shall not be less than the Guaranteed Minimum Price, except as provided in paragraph 7.(b).

(3) For hogs delivered to buying stations, the plant delivered Contract Price shall be adjusted by Hormel Foods' station delivered freight discount in effect at the time of delivery.

(f) The Contract Price shall then be used in connection with Hormel Foods' Carcass Buying Program in effect at the time of delivery to determine the final amount to be paid to Producer. Carcass Buying Program premiums and discounts shall be determined on the basis of the Market Base Price. Hormel Foods' Carcass Buying Program is subject to change by Hormel Foods in its discretion from time to time.

(g) Refer to Exhibit A for examples of determining the Contract Price.

(h) The Contract Price, and Carcass Buying Program premiums and discounts, to be paid Producer for contracted hogs delivered to Hormel Foods shall be subject to offset as provided in paragraph 9.

(i) The hogs supplied under this Agreement shall be sold F.O.B. destination and title to hogs and risk of loss of hogs pass from Producer to Hormel Foods as specified in Hormel Foods' Carcass Buying Program.

3. TRANSITION PROVISIONS.

(a) "Previous Agreement" means any Long-Term Hog Procurement Agreement between Producer and Hormel Foods relating to the hog production operation supplying hogs under this Agreement in effect at the time this Agreement is executed by Producer and Hormel Foods (whether in the initial or extended term). If a Previous Agreement exists when the parties execute this Agreement, then such Previous Agreement shall be amended and restated in its entirety by this Agreement.

(b) "Extended Agreement" means, where Producer and Hormel Foods have not executed this Agreement, any Long-Term Hog Procurement Agreement between Producer and Hormel Foods which is extended on the terms set forth in this Agreement. If an Extended Agreement exists, then nothing in this Agreement shall modify the provisions of such Extended Agreement which establish the duration of the extended term or Producer's right to terminate such Extended Agreement at any time during the extended term by paying Hormel Foods cash in an amount equal to the Negative Cash Balance.

(c) "Negative Cash Balance" means the excess, if any, of the aggregate Contract Price that Hormel Foods has paid to Producer for hogs purchased from Producer under (1) this Agreement and the Previous Agreement or (2) this Agreement and the Extended Agreement, as the case may be, over the total market value, based on Market Base Prices, of those same hogs. Producer acknowledges that the **Negative Cash Balance** as of the effective date of this Agreement is \$ _____. Hormel Foods shall account for the Negative Cash Balance and provide Producer a monthly statement of the current Negative Cash Balance until such time as the Negative Cash Balance is eliminated pursuant to paragraph 3.(d) or 3.(e).

(d) If a Previous Agreement existed when the parties executed this Agreement, the effective date of this Agreement is October 31, 1999 or before, and Producer delivered a signed original of this Agreement to Hormel Foods no later than October 31, 1999, then and only then do the following provisions of paragraphs 3.(d)(1) and 3.(d)(2) apply:

(1) For the period from the effective date of this Agreement through November 3, 2002, the Guaranteed Minimum Price shall be determined as follows:

(A) For the period from the effective date of this Agreement through November 5, 2000, the Guaranteed Minimum Price shall be determined as set forth in paragraph 2.(d) except that One Dollar (\$1.00) per live cwt., instead of Four Dollars (\$4.00) per live cwt., shall be subtracted from the price per live cwt. set forth in the Floor Price Matrix prior to converting to a price per carcass cwt.

(B) For the period from November 6, 2000 through November 4, 2001, the Guaranteed Minimum Price shall be determined as set forth in paragraph 2.(d) except that Two Dollars (\$2.00) per live cwt., instead of Four Dollars (\$4.00) per live cwt., shall be subtracted from the price per live cwt. set forth in the Floor Price Matrix prior to converting to a price per carcass cwt.

(C) For the period from November 5, 2001 through November 3, 2002, the Guaranteed Minimum Price shall be determined as set forth in paragraph 2.(d) except that Three Dollars (\$3.00) per live cwt., instead of Four Dollars (\$4.00) per live cwt., shall be subtracted from the price per live cwt. set forth in the Floor Price Matrix prior to converting to a price per carcass cwt.

(2) Upon (A) the Negative Cash Balance reaching fifty percent (50%) of the Negative Cash Balance as of the effective date of this Agreement, or (B) five years after the effective date of this Agreement, whichever comes first, provided Producer shall have fully performed under this Agreement through such time, then the Negative Cash Balance shall be deemed eliminated at such time and Producer

shall thereafter have no obligations to Hormel Foods with regard to any Negative Cash Balance.

(e) If (1) a Previous Agreement existed when the parties executed this Agreement and Producer delivered a signed original of this Agreement to Hormel Foods after October 31, 1999, and Producer shall have fully performed under this Agreement through the entire term stated in paragraph 1.(a), or (2) an Extended Agreement exists and Producer shall have fully performed through the entire extended term of such Extended Agreement, then any Negative Cash Balance shall be deemed eliminated at the end of such stated or extended term, as the case may be, and Producer shall thereafter have no obligations to Hormel Foods with regard to any Negative Cash Balance.

(f) If Producer and Hormel Foods executed this Agreement when no Previous Agreement existed, then all of the provisions of this Agreement relating to any Negative Cash Balance shall not apply to such Producer and such Producer shall have no obligations to Hormel Foods with regard to any Negative Cash Balance.

4. HORMEL FOODS' OBLIGATIONS.

(a) Hormel Foods agrees to pay Producer for contracted hogs as set forth in paragraph 2. for the entire term of this Agreement.

(b) Inspection, sorting and weighing of hogs shall be performed by Hormel Foods at the delivery location or the plant.

(c) Hormel Foods shall keep all necessary records with respect to the receipt, weighing and payment of all hogs in accordance with its regular record retention and destruction schedule. At the present time, all scale tickets, P&L's and checks are retained for two (2) years. Producer may inspect such records during normal business hours at locations designated by Hormel Foods upon reasonable notice by Producer to Hormel Foods. Hormel Foods shall supply copies of such records as Producer may reasonably request at Producer's expense.

5. PRODUCER'S OBLIGATIONS.

(a) All hogs delivered under this Agreement shall be top quality, healthy and wholesome, free of foreign objects (e.g., needles) and must weigh at least two hundred twenty-five (225) pounds. No hogs shall be crippled, lame, sick, overfilled or otherwise unmerchantable at time of delivery. Producer is responsible for the handling of hogs, including without limitation the handling of hogs by transporters, in such a manner so as to optimize meat quality. Producer must have in place a genetic program capable of producing lean, uniform sorted hogs that consistently meet Hormel Foods' requirements.

(b) Producer must have Hormel Foods approved facilities to farrow and finish hogs year round and/or Hormel Foods approved sources of weanling and feeder pigs. All hogs delivered hereunder from time to time must be uniform in size and numbers, and must be derived from such approved facilities and sources. Producer shall be responsible for arranging transportation and incurring freight costs to deliver the hogs to the nearest Hormel Foods slaughter plant. Producer agrees to deliver the hogs to any other slaughter plant designated by Hormel Foods; provided that Hormel Foods shall pay Producer the additional freight costs incurred by such delivery as determined by Hormel Foods pursuant to its then current standard livestock freight schedule. Producer agrees to arrange delivery with Hormel Foods Hog Procurement personnel by Thursday of the week prior to delivery. Specific delivery days and times shall be determined by Hormel Foods (early, late, Sunday and holiday deliveries may be required). Time is of the essence in the delivery of hogs under this Agreement.

(c) Producer's hogs must be supervised by a licensed veterinarian and Producer must properly use any applicable drugs and adhere to required withdrawal procedures thereto. Producer must be on the Pork Quality Assurance Program, a HACCP program of America's Pork Producers. Producer must be at Level III of such PQA Program and must obtain the highest Level of such PQA Program established in the future within six months of the Program change establishing such Level. Producer must also comply with any HACCP program established by Hormel Foods, and any change in such a program, within six months of the establishment of the program or the change.

(d) Producer must use an approved feeding program and Hormel Foods may inspect Producer's hogs and facilities during reasonable business hours on reasonable notice to Producer. The use of Hormel Foods' feed is not required, but the Producer agrees to listen objectively to Hormel Foods' feed presentations.

(e) Producer must at all times be able to demonstrate its financial soundness to Hormel Foods and to provide evidence thereof upon the request of Hormel Foods. Producer must demonstrate at all times the ability to produce hogs in the quantity and of the quality required during the term of this Agreement. Hormel Foods shall have access to all cost and financial records of Producer relating to this Agreement subject to reasonable notice from Hormel Foods to inspect during normal business hours. Producer must use a Hormel Foods approved cost and recordkeeping system.

(f) Producer agrees to provide Hormel Foods a complete set of Producer's financial statements and production information on an annual basis and at any time upon demand by Hormel Foods.

(g) Producer agrees to promptly execute and deliver to Hormel Foods from time to time, as requested by Hormel Foods in its discretion, such security agreements, financing statements under the Uniform Commercial Code and other instruments as may be necessary or appropriate to grant Hormel Foods a security interest in tangible assets of Producer. The fair market value of such tangible assets, after reduction for obligations to third parties secured by other security interests or liens in such assets, shall be sufficient to secure Producer's obligations under this Agreement and shall at all times be at least equal to any Negative Cash Balance. Such security interest shall be on written terms reasonably determined by Hormel Foods. Producer agrees that in the event Producer breaches its obligations under this paragraph 5.(g), Hormel Foods shall, in addition to all other remedies, be entitled to a decree of specific performance requiring Producer to perform its obligations under this paragraph 5.(g).

6. DEFAULT; TERMINATION.

(a) For purposes of this Agreement, a default by a party shall be deemed to have occurred if (1) such party breaches this Agreement and such breach remains uncured twenty (20) days after receipt from the non-defaulting party of a written notice specifying the alleged breach, (2) such party manifests an intention not to perform any material obligation under this Agreement, including without limitation taking any action which manifests an intention not to deliver hogs or accept hogs, or manifests an intention not to cure a material breach of this Agreement, (3) such party becomes insolvent, suspends or discontinues business operations, makes an assignment for the benefit of creditors, commences voluntary or has commenced against them involuntary bankruptcy proceedings, or voluntarily appoints or involuntarily has appointed a receiver, trustee or liquidator of all or any part of their property, or (4) such party defaults in the performance of any loan agreement with its lender(s), including without limitation noncompliance with financial covenants, regardless of whether such default is declared by the lender(s). Each party agrees to promptly provide the other party written notice of any default by such party under any loan agreement with its lender(s), regardless of whether such default is declared by the lender(s), and to immediately provide the other party a copy of any notice of default such party receives from its lender(s). Any such notice of default by a party in

the performance of any agreement with its lender(s) shall be conclusive evidence of such a default.

(b) In the event of a default by the other party as defined in paragraph 6.(a), the non-defaulting party may, in addition to all other remedies, terminate this Agreement by written notice to the defaulting party. Upon delivery of such a written notice of termination, this Agreement shall immediately terminate without any further obligations, except as expressly set forth elsewhere in this Agreement.

(c) In the event Hormel Foods discontinues the slaughtering of hogs at the plant to which Producer's hogs are being delivered and retains ownership of such plant, then Hormel Foods shall, at its option, (1) terminate this Agreement by written notice to Producer, or (2) notify Producer it must deliver the hogs to the then nearest Hormel Foods slaughter plant; provided that Hormel Foods shall pay Producer the additional freight costs incurred by such delivery as determined by Hormel Foods pursuant to its then current standard livestock freight schedule. Upon delivery of such a written notice of termination, this Agreement shall immediately terminate without further obligations, except as expressly set forth elsewhere in this Agreement.

7. REMEDIES.

(a) In the event of a default by the other party as defined in paragraph 6.(a), each party shall have the right to pursue any and all remedies available at law or in equity, including without limitation any remedies granted such party by this Agreement. The pursuit of any one or more remedies shall not foreclose the pursuit of any other remedies which may be available and the remedies shall be considered cumulative and not exclusive.

(b) In the event of a default by Producer, Hormel Foods shall, in addition to all other remedies, be entitled to adjust the Contract Price to be equal to the lower of the Market Base Price or the Matrix Price for so long as such default continues.

(c) In the event Hormel Foods terminates this Agreement for default by Producer prior to any elimination of a Negative Cash Balance pursuant to paragraph 3.(d) or 3.(e), then Hormel Foods shall, in addition to all other remedies, be entitled to recover from Producer any Negative Cash Balance at the time of such termination. Producer shall pay Hormel Foods cash in an amount equal to any Negative Cash Balance at the time of such a termination within thirty (30) days of the termination of this Agreement or as otherwise agreed to by Hormel Foods in its discretion.

8. **INDEMNITY.** Each party shall indemnify and hold the other party harmless for any and all liabilities, losses, damages (Hormel Foods' losses and damages shall include without limitation any Negative Cash Balance), claims, judgments, costs and expenses (including without limitation in-house and outside legal counsel fees and expenses) suffered or incurred by the other party arising out of or in connection with such party's breach of this Agreement or any claim of any third party arising out of or in connection with such party's breach of this Agreement.

9. **RIGHT OF OFFSET.** In the event of a default by Producer, Hormel Foods shall, in addition to all other remedies, be entitled to offset any amounts owed to Hormel Foods under paragraphs 7. and 8., including without limitation any Negative Cash Balance, against any amounts due and owing to Producer under this Agreement and any other agreement or transaction between Producer and Hormel Foods until all such amounts owed to Hormel Foods have been satisfied.

10. **NO SECURITY INTERESTS OR LIENS IN HOGS.** Producer represents to Hormel Foods that all hogs delivered under this Agreement are free and clear of all security interests and liens of any kind whatsoever, except as specifically provided in a

written notice received by Hormel Foods at least thirty (30) days prior to delivery. In the event hogs delivered under this Agreement are subject to any security interest or lien, Hormel Foods may make payments jointly to Producer and the secured party or lien holder.

11. **FORCE MAJEURE.** Hormel Foods and Producer shall not be liable for damages due to delay or failure to perform any obligation under this Agreement if such delay or failure results directly or indirectly from disease which could not be reasonably foreseen or prevented by adherence to accepted industry practices, strike or other labor difficulties, breakdown or damage to Hormel Foods' plant facilities, acts of war, civil commotions, acts of any government or governmental authority, interference in telephone or electronic communications, fire, flood, windstorms, or other acts of God, or any cause of a like or different kind beyond the reasonable control of such party. In such event, Hormel Foods may, at its discretion, accept hogs in excess of the contracted quantities when Producer is able to deliver them or Hormel Foods is able to accept them, as the case may be, or reduce the total quantity of hogs to be delivered hereunder by the quantity not delivered or accepted due to such causes.

12. **ASSIGNMENT; BINDING EFFECT.** Producer shall not have the right to assign this Agreement or any of its rights hereunder without the prior written consent of Hormel Foods, which consent shall not be unreasonably withheld; provided that Producer may assign this Agreement or any of its rights hereunder to its lender(s) as collateral security for any loan from such lender(s). In the event Producer desires to sell all or substantially all the assets constituting Producer's hog production operation, then, in addition to obtaining Hormel Foods consent as set forth above, Producer shall cause the purchaser to expressly assume, in a writing acceptable to Hormel Foods, all of Producer's obligations under this Agreement. In the event Hormel Foods sells the slaughter plant to which Producer's hogs are being delivered, then Hormel Foods shall, at its option, (a) cause the purchaser to expressly assume all of Hormel Foods' obligations under this Agreement, or (b) notify Producer it must deliver the hogs to the then nearest Hormel Foods slaughter plant; provided that Hormel Foods shall pay Producer the additional freight costs incurred by such delivery as determined by Hormel Foods pursuant to its then current standard livestock freight schedule. This Agreement shall be binding on Producer's heirs, successors and permitted assigns and on Hormel Foods' successors and assigns.

13. **WAIVER.** The failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any right which is herein provided, or to require at any time performance by the other party of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of either party to thereafter enforce each and every such provision. No waiver shall be valid unless in a writing signed by the waiving party and then only to the extent specified.

14. **RELATIONSHIP OF PARTIES.** Neither party is in any way the legal representative or agent of the other party for any purpose whatsoever. The parties are independent contractors and have no right or authority to create any obligation on behalf of the other party or to bind the other party in any manner.

15. **SEVERABILITY.** If any term or provision of this Agreement is held to be illegal or in conflict with any federal, state or local law or regulation, the validity of the remainder of this Agreement shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

16. **SURVIVAL OF PROVISIONS.** Any provisions herein which by their terms have or may have application after the expiration or termination of this Agreement shall be deemed to the extent of such application to survive the expiration or termination of this Agreement. Without limiting the foregoing, the parties agree that the rights and

obligations of paragraphs 7.-9. and 22. shall survive any expiration or termination of this Agreement and shall continue to bind the parties and their respective heirs, successors and assigns.

17. **ENTIRE AGREEMENT; AMENDMENT.** This Agreement constitutes the entire agreement between Producer and Hormel Foods and supersedes any prior or contemporaneous oral or written agreement or understanding between the parties with respect to the subject matter hereof, including without limitation any Previous Agreement. This Agreement may be amended or supplemented only in writing by Producer and Hormel Foods, and not by any course of dealing or prior performance.

18. **GOVERNING LAW.** This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Minnesota without regard to conflict of laws principles.

19. **JURISDICTION AND VENUE.** All judicial proceedings and actions arising out of, relating to or based upon this Agreement shall be venued in the State Courts of Hennepin, Ramsey or Mower County in the State of Minnesota if there is no jurisdictional diversity between the parties or if the amount in controversy is less than the applicable minimum required for Federal jurisdiction or the Federal Courts of the State of Minnesota if there is jurisdictional diversity and the amount in controversy exceeds the applicable minimum required for Federal jurisdiction, and each of the parties consents to the personal jurisdiction of said courts and waives any argument that such forums are not convenient.

20. **MEDIATION.** The parties agree to the use of mediation to attempt to resolve any dispute between the parties arising out of this Agreement. The mediator shall have no authority to impose a settlement of any such dispute. Mediation shall be conducted pursuant to the Minnesota Civil Mediation Act, Minnesota Statutes, §§ 572.31 to 572.40.

21. **AUTHORIZATION.** Producer represents and warrants that Producer has taken all necessary action to duly authorize the execution, delivery and performance of this Agreement. The individual signing this Agreement on behalf of Producer certifies that he/she is duly authorized to execute this Agreement on behalf of Producer.

22. **PERSONAL GUARANTY.** Unless Producer is a sole proprietorship, all obligations of Producer under this Agreement shall be personally guaranteed by all of the individuals who are the direct or indirect shareholders, partners, members or other owners of Producer (collectively, the "Guarantors"), each of whom must execute this Agreement. No corporation, partnership, limited liability company or other entity may be a Guarantor. Rather, the individuals who directly or indirectly own a corporation, partnership, limited liability company or other entity which is an owner of Producer shall constitute Guarantors. In consideration of and as a material inducement to Hormel Foods to enter into this Agreement with Producer (for purposes of this personal guaranty, "this Agreement" shall include this Agreement and any modification, extension and amendment thereof), the Guarantors agree as follows:

(a) The Guarantors hereby guarantee the satisfactory performance by Producer of this Agreement in accordance with all its terms and conditions. If Producer defaults in performance of its obligations under this Agreement, the Guarantors shall be severally liable for a pro rata share of any and all liabilities, losses, damages (losses and damages shall include without limitation any Negative Cash Balance), claims, judgments, costs and expenses (including without limitation in-house and outside legal counsel fees and expenses) suffered or incurred by Hormel Foods arising out of or in connection with such default. Each Guarantor's share shall be determined by multiplying the total liability of all the Guarantors under this personal guaranty times such Guarantor's percentage ownership interest in Producer, as set forth below.

(b) This personal guaranty is a continuing one and shall terminate only on the

satisfaction of each and every obligation of Producer under this Agreement.

(c) The Guarantors waive any right to notices which may be required by law, including without limitation notice of acceptance of this personal guaranty, notice of any modification, extension and amendment of this Agreement, and notice of any default by Producer.

(d) This personal guaranty shall inure to the benefit of Hormel Foods and its successors and assigns and be binding upon the Guarantors and their heirs, successors and assigns.

(e) Any provisions herein which by their terms have or may have application to this personal guaranty or the Guarantors, including without limitation paragraphs 7., 15.-19. and 23., shall be deemed to the extent of such application to apply to this personal guaranty and the Guarantors.

23. **WAIVER OF JURY TRIAL.** EACH OF THE PARTIES WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, OR UNDER ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED IN CONNECTION HERewith AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

24. **VOLUNTARY AGREEMENT; NO GUARANTEE OF PROFIT.** Producer acknowledges that it has voluntarily entered into this Agreement on its own accord and that it has had adequate opportunity, and has been encouraged by Hormel Foods, to consult with its own attorney and accountant regarding all legal, accounting and tax consequences relating to this Agreement. Producer acknowledges that Hormel Foods and its employees and agents make no representation or guarantee of any kind whatsoever regarding the consequences or profitability of this Agreement to Producer.

Producer's Initials: _____

PARAGRAPH 24. MUST BE INITIALED AND THE EFFECTIVE DATE, THE EXPIRATION DATE AND THE QUANTITY OF HOGS MUST BE WRITTEN IN THE APPROPRIATE BLANKS ON PAGE 1 FOR THIS CONTRACT TO BE VALID.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives effective the date first above written.

("Producer") [Print Full Name]

HORMEL FOODS CORPORATION
("Hormel Foods")

By: _____

By: _____

Its: _____
[State "Sole Proprietor" or Title]

Its: _____

Address: _____

Address: 1 Hormel Place

Austin, MN 55912-3680

_____ County

Phone No. _____

Producer's Tax ID. No. _____

Contract No. _____

THE UNDERSIGNED GUARANTORS have executed this Agreement for the purpose of being individually bound by the personal guaranty contained in paragraph 22. of this Agreement:

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

Signed: _____

[Print Name]

% Ownership Interest: _____

Address: _____

EXHIBIT A

LONG-TERM HOG PROCUREMENT AGREEMENT #3

CONTRACT PRICE DETERMINATION FOR PLANT DELIVERED HOGS:

For period through November 5, 2000 (Subject to sections 2-a and 2-d)

Determine 20 week moving average of Omaha corn and Decatur/Central Ill. 44* Soybean Meal. These averages are based on the 20 weeks prior to the previous week. Round corn to the closest \$0.10 per bushel and meal to the closest \$10.00 per ton.

For this example assume corn is \$2.00 and meal is \$130

From the LTHPA #3 PRICE MATRIX obtain the values for \$2.00 corn and \$130 meal.

\$38.90 Floor Price Matrix Value / Live Cwt.
 \$52.17 Matrix Price / Carcass Cwt. (See section 2-a)
 \$46.81 Guaranteed Minimum / Carcass Cwt. (No Transition Provisions--See section 2-d)
 \$50.83 Guaranteed Minimum / Carcass Cwt. (With Transition Provisions--See section 3-d-1)

Example A:

Example A is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is greater than the Matrix Price.

Assume the Market Base Price is \$60.00 per carcass cwt.

Whenever the Market Base Price is greater than the Matrix Price, the Contract Price is equal to the midpoint between the Matrix Price and the Market Base Price.

Matrix Price	\$52.17
Market Base Price	\$60.00
Midpoint	\$56.08
<u>Contract Price</u>	<u>\$56.08</u>

Example B: No Transition Provisions

Example B is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is between the Matrix Price and the Guaranteed Minimum Price.

Assume the Market Base Price is \$48.00 per carcass cwt.

Whenever the Market Base Price is less than the Matrix Price, but above the Guaranteed Minimum Price the Contract Price is equal to the midpoint between the Matrix Price and the Market Base Price.

Guaranteed Minimum	\$46.81
Market Base Price	\$48.00
Matrix Price	\$52.17
Midpoint	\$50.08
<u>Contract Price</u>	<u>\$50.08</u>

Example B: With Transition Provisions

Example B is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is between the Matrix Price and the Guaranteed Minimum Price.

Assume the Market Base Price is \$51.50 per carcass cwt.

Whenever the Market Base Price is less than the Matrix Price, but above the Guaranteed Minimum Price the Contract Price is equal to the midpoint between the Matrix Price and the Market Base Price.

Guaranteed Minimum	\$50.83
Market Base Price	\$51.50
Matrix Price	\$52.17
Midpoint	\$51.84
<u>Contract Price</u>	<u>\$51.84</u>

Example C: No Transition Provisions

Example C is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is slightly below the Guaranteed Minimum Price.

Assume the Market Base Price is \$44.00 per carcass cwt.

Whenever the midpoint between the Matrix Price and the Market Base Price is greater than the Guaranteed Minimum Price, the Contract Price is equal to the midpoint.

Guaranteed Minimum	\$46.81
Market Base Price	\$44.00
Matrix Price	\$52.17
Midpoint	\$48.08
<u>Contract Price</u>	<u>\$48.08</u>

Example C: With Transition Provisions

Example C is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is slightly below the Guaranteed Minimum Price.

Assume the Market Base Price is \$50.00 per carcass cwt.

Whenever the midpoint between the Matrix Price and the Market Base Price is greater than the Guaranteed Minimum Price, the Contract Price is equal to the midpoint.

Guaranteed Minimum	\$50.83
Market Base Price	\$50.00
Matrix Price	\$52.17
Midpoint	\$51.08
<u>Contract Price</u>	<u>\$51.08</u>

Example D: No Transition Provisions

Example D is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is well below the Guaranteed Minimum Price.

Assume the Market Base Price is \$20.00 per carcass cwt.

Whenever the midpoint between the Matrix Price and the Market Base Price is less than the Guaranteed Minimum Price, the Contract Price is equal to the Guaranteed Minimum.

Guaranteed Minimum	\$46.81
Market Base Price	\$20.00
Matrix Price	\$52.17
Midpoint	\$36.08
<u>Contract Price</u>	<u>\$46.81</u>

Example D: With Transition Provisions

Example D is an example when the Market Base Price (last week's average daily 10:00 a.m. Hormel Foods' plant delivered carcass price) is well below the Guaranteed Minimum Price.

Assume the Market Base Price is \$20.00 per carcass cwt.

Whenever the midpoint between the Matrix Price and the Market Base Price is less than the Guaranteed Minimum Price, the Contract Price is equal to the Guaranteed Minimum.

Guaranteed Minimum	\$50.83
Market Base Price	\$20.00
Matrix Price	\$52.17
Midpoint	\$36.08
<u>Contract Price</u>	<u>\$50.83</u>

The Contract Price is used in connection with the Hormel Foods' Carcass Buying Program to determine the final amount paid to the Producer.

LTHPA #3 Floor Price Matrix (\$/Live Cwt.)

7/1/99

Use 20 week moving average of Omaha Corn, round to closest \$0.10/bu.
 Use 20 week moving average of Decatur/Central Ill. 44% soymeal, round to closest \$10.00 per ton.
 For corn and soymeal prices outside the range of this matrix a \$0.10 change in corn changes the matrix value by \$0.40 and a \$10.00 change in meal changes the matrix value \$0.30.
 (Convert to carcass matrix based on actual performance of all long-term contract hogs)

44% Soymeal

Corn	\$110	\$120	\$130	\$140	\$150	\$160	\$170	\$180	\$190	\$200	\$210	\$220	\$230	\$240	\$250	\$260	\$270	\$280
\$1.40	\$35.90	\$36.20	\$36.50	\$36.80	\$37.10	\$37.40	\$37.70	\$38.00	\$38.30	\$38.60	\$38.90	\$39.20	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00
\$1.50	\$36.30	\$36.60	\$36.90	\$37.20	\$37.50	\$37.80	\$38.10	\$38.40	\$38.70	\$39.00	\$39.30	\$39.60	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40
\$1.60	\$36.70	\$37.00	\$37.30	\$37.60	\$37.90	\$38.20	\$38.50	\$38.80	\$39.10	\$39.40	\$39.70	\$40.00	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80
\$1.70	\$37.10	\$37.40	\$37.70	\$38.00	\$38.30	\$38.60	\$38.90	\$39.20	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20
\$1.80	\$37.50	\$37.80	\$38.10	\$38.40	\$38.70	\$39.00	\$39.30	\$39.60	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60
\$1.90	\$37.90	\$38.20	\$38.50	\$38.80	\$39.10	\$39.40	\$39.70	\$40.00	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00
\$2.00	\$38.30	\$38.60	\$38.90	\$39.20	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40
\$2.10	\$38.70	\$39.00	\$39.30	\$39.60	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80
\$2.20	\$39.10	\$39.40	\$39.70	\$40.00	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20
\$2.30	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60
\$2.40	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00
\$2.50	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40
\$2.60	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80
\$2.70	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20
\$2.80	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60
\$2.90	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00
\$3.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40
\$3.10	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80
\$3.20	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00	\$47.30	\$47.60	\$47.90	\$48.20
\$3.30	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40	\$47.70	\$48.00	\$48.30	\$48.60
\$3.40	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80	\$48.10	\$48.40	\$48.70	\$49.00
\$3.50	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00	\$47.30	\$47.60	\$47.90	\$48.20	\$48.50	\$48.80	\$49.10	\$49.40
\$3.60	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40	\$47.70	\$48.00	\$48.30	\$48.60	\$48.90	\$49.20	\$49.50	\$49.80
\$3.70	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80	\$48.10	\$48.40	\$48.70	\$49.00	\$49.30	\$49.60	\$49.90	\$50.20
\$3.80	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00	\$47.30	\$47.60	\$47.90	\$48.20	\$48.50	\$48.80	\$49.10	\$49.40	\$49.70	\$50.00	\$50.30	\$50.60
\$3.90	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40	\$47.70	\$48.00	\$48.30	\$48.60	\$48.90	\$49.20	\$49.50	\$49.80	\$50.10	\$50.40	\$50.70	\$51.00
\$4.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80	\$48.10	\$48.40	\$48.70	\$49.00	\$49.30	\$49.60	\$49.90	\$50.20	\$50.50	\$50.80	\$51.10	\$51.40

LTHPA #3 PRICES

For period through November 5, 2000 (Subject to sections 2-a and 2-b)

7/1/99

Yield Factor: 75.43%

Carcass Buying Program Percentage: 98.85%

Each box contains the following:

Floor Price Matrix Value / Live Cwt

Matrix Price / Carcass Cwt. (See section 2-a)

Guaranteed Minimum / Carcass Cwt. (No Transition Provisions--see section 2-d)

Guaranteed Minimum / Carcass Cwt. (With Transition Provisions--see section 3-d-1)

44% Soymeal

Corn	\$110	\$120	\$130	\$140	\$150	\$160	\$170	\$180	\$190	\$200	\$210	\$220	\$230	\$240	\$250	\$260	\$270	\$280
\$1.40	\$35.90	\$36.20	\$36.50	\$36.80	\$37.10	\$37.40	\$37.70	\$38.00	\$38.30	\$38.60	\$38.90	\$39.20	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00
	\$48.15	\$48.55	\$48.95	\$49.35	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99
	\$42.78	\$43.19	\$43.59	\$43.99	\$44.39	\$44.79	\$45.20	\$45.60	\$46.00	\$46.40	\$46.81	\$47.21	\$47.61	\$48.01	\$48.42	\$48.82	\$49.22	\$49.62
	\$46.81	\$47.21	\$47.61	\$48.01	\$48.42	\$48.82	\$49.22	\$49.62	\$50.03	\$50.43	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65
\$1.50	\$36.30	\$36.60	\$36.90	\$37.20	\$37.50	\$37.80	\$38.10	\$38.40	\$38.70	\$39.00	\$39.30	\$39.60	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40
	\$48.68	\$49.09	\$49.49	\$49.89	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52
	\$43.32	\$43.72	\$44.12	\$44.53	\$44.93	\$45.33	\$45.73	\$46.14	\$46.54	\$46.94	\$47.34	\$47.75	\$48.15	\$48.55	\$48.95	\$49.35	\$49.76	\$50.16
	\$47.34	\$47.75	\$48.15	\$48.55	\$48.95	\$49.35	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18
\$1.60	\$36.70	\$37.00	\$37.30	\$37.60	\$37.90	\$38.20	\$38.50	\$38.80	\$39.10	\$39.40	\$39.70	\$40.00	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80
	\$49.22	\$49.62	\$50.03	\$50.43	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06
	\$43.86	\$44.26	\$44.66	\$45.06	\$45.47	\$45.87	\$46.27	\$46.67	\$47.07	\$47.48	\$47.88	\$48.28	\$48.68	\$49.09	\$49.49	\$49.89	\$50.29	\$50.70
	\$47.88	\$48.28	\$48.68	\$49.09	\$49.49	\$49.89	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72
\$1.70	\$37.10	\$37.40	\$37.70	\$38.00	\$38.30	\$38.60	\$38.90	\$39.20	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20
	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60
	\$44.39	\$44.79	\$45.20	\$45.60	\$46.00	\$46.40	\$46.81	\$47.21	\$47.61	\$48.01	\$48.42	\$48.82	\$49.22	\$49.62	\$50.03	\$50.43	\$50.83	\$51.23
	\$48.42	\$48.82	\$49.22	\$49.62	\$50.03	\$50.43	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26
\$1.80	\$37.50	\$37.80	\$38.10	\$38.40	\$38.70	\$39.00	\$39.30	\$39.60	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60
	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13
	\$44.93	\$45.33	\$45.73	\$46.14	\$46.54	\$46.94	\$47.34	\$47.75	\$48.15	\$48.55	\$48.95	\$49.35	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77
	\$48.95	\$49.35	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79
\$1.90	\$37.90	\$38.20	\$38.50	\$38.80	\$39.10	\$39.40	\$39.70	\$40.00	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00
	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67
	\$45.47	\$45.87	\$46.27	\$46.67	\$47.07	\$47.48	\$47.88	\$48.28	\$48.68	\$49.09	\$49.49	\$49.89	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31
	\$49.49	\$49.89	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33
\$2.00	\$38.30	\$38.60	\$38.90	\$39.20	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40
	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21
	\$46.00	\$46.40	\$46.81	\$47.21	\$47.61	\$48.01	\$48.42	\$48.82	\$49.22	\$49.62	\$50.03	\$50.43	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84
	\$50.03	\$50.43	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87

LTHPA #3 PRICES

For period through November 5, 2000 (Subject to sections 2-a and 2-b)

7/1/99

Yield Factor: 75.43%

Carcass Buying Program Percentage: 98.85%

Each box contains the following:

Floor Price Matrix Value / Live Cwt

Matrix Price / Carcass Cwt. (See section 2-a)

Guaranteed Minimum / Carcass Cwt. (No Transition Provisions--see section 2-d)

Guaranteed Minimum / Carcass Cwt. (With Transition Provisions--see section 3-d-1)

44% Soymeal

Corn	\$110	\$120	\$130	\$140	\$150	\$160	\$170	\$180	\$190	\$200	\$210	\$220	\$230	\$240	\$250	\$260	\$270	\$280
\$2.10	\$38.70	\$39.00	\$39.30	\$39.60	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80
	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74
	\$46.54	\$46.94	\$47.34	\$47.75	\$48.15	\$48.55	\$48.95	\$49.35	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38
	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40
\$2.20	\$39.10	\$39.40	\$39.70	\$40.00	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20
	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28
	\$47.07	\$47.48	\$47.88	\$48.28	\$48.68	\$49.09	\$49.49	\$49.89	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91
	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94
\$2.30	\$39.50	\$39.80	\$40.10	\$40.40	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60
	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82
	\$47.61	\$48.01	\$48.42	\$48.82	\$49.22	\$49.62	\$50.03	\$50.43	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45
	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47
\$2.40	\$39.90	\$40.20	\$40.50	\$40.80	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00
	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35
	\$48.15	\$48.55	\$48.95	\$49.35	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99
	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01
\$2.50	\$40.30	\$40.60	\$40.90	\$41.20	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40
	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89
	\$48.68	\$49.09	\$49.49	\$49.89	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52
	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55
\$2.60	\$40.70	\$41.00	\$41.30	\$41.60	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80
	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42
	\$49.22	\$49.62	\$50.03	\$50.43	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06
	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08
\$2.70	\$41.10	\$41.40	\$41.70	\$42.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20
	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96
	\$49.76	\$50.16	\$50.56	\$50.96	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60
	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62

LTHPA #3 PRICES

For period through November 5, 2000 (Subject to sections 2-a and 2-b)

7/1/99

Yield Factor: 75.43%

Carcass Buying Program Percentage: 98.85%

Each box contains the following:

Floor Price Matrix Value / Live Cwt

Matrix Price / Carcass Cwt. (See section 2-a)

Guaranteed Minimum / Carcass Cwt. (No Transition Provisions--see section 2-d)

Guaranteed Minimum / Carcass Cwt. (With Transition Provisions--see section 3-d-1)

44% Soymeal

Corn	\$110	\$120	\$130	\$140	\$150	\$160	\$170	\$180	\$190	\$200	\$210	\$220	\$230	\$240	\$250	\$260	\$270	\$280
\$2.80	\$41.50	\$41.80	\$42.10	\$42.40	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60
	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50
	\$50.29	\$50.70	\$51.10	\$51.50	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13
	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16
\$2.90	\$41.90	\$42.20	\$42.50	\$42.80	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00
	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03
	\$50.83	\$51.23	\$51.63	\$52.04	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67
	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69
\$3.00	\$42.30	\$42.60	\$42.90	\$43.20	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40
	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57
	\$51.37	\$51.77	\$52.17	\$52.57	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21
	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23
\$3.10	\$42.70	\$43.00	\$43.30	\$43.60	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80
	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50	\$62.90	\$63.30	\$63.70	\$64.11
	\$51.90	\$52.31	\$52.71	\$53.11	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74
	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77
\$3.20	\$43.10	\$43.40	\$43.70	\$44.00	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00	\$47.30	\$47.60	\$47.90	\$48.20
	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03	\$63.44	\$63.84	\$64.24	\$64.64
	\$52.44	\$52.84	\$53.24	\$53.65	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28
	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50	\$62.90	\$63.30
\$3.30	\$43.50	\$43.80	\$44.10	\$44.40	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40	\$47.70	\$48.00	\$48.30	\$48.60
	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57	\$63.97	\$64.38	\$64.78	\$65.18
	\$52.98	\$53.38	\$53.78	\$54.18	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82
	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03	\$63.44	\$63.84
\$3.40	\$43.90	\$44.20	\$44.50	\$44.80	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80	\$48.10	\$48.40	\$48.70	\$49.00
	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50	\$62.90	\$63.30	\$63.70	\$64.11	\$64.51	\$64.91	\$65.31	\$65.72
	\$53.51	\$53.91	\$54.32	\$54.72	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35
	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57	\$63.97	\$64.38

LTHPA #3 PRICES

For period through November 5, 2000 (Subject to sections 2-a and 2-b)

7/1/99

Yield Factor: 75.43%

Carcass Buying Program Percentage: 98.85%

Each box contains the following:

Floor Price Matrix Value / Live Cwt

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Guaranteed Minimum / Carcass Cwt. (No Transition Provisions--see section 2-d)

Guaranteed Minimum / Carcass Cwt. (With Transition Provisions--see section 3-d-1)

44% Soymeal

Corn	\$110	\$120	\$130	\$140	\$150	\$160	\$170	\$180	\$190	\$200	\$210	\$220	\$230	\$240	\$250	\$260	\$270	\$280
\$3.50	\$44.30	\$44.60	\$44.90	\$45.20	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00	\$47.30	\$47.60	\$47.90	\$48.20	\$48.50	\$48.80	\$49.10	\$49.40
	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03	\$63.44	\$63.84	\$64.24	\$64.64	\$65.05	\$65.45	\$65.85	\$66.25
	\$54.05	\$54.45	\$54.85	\$55.26	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89
	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50	\$62.90	\$63.30	\$63.70	\$64.11	\$64.51	\$64.91
\$3.60	\$44.70	\$45.00	\$45.30	\$45.60	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40	\$47.70	\$48.00	\$48.30	\$48.60	\$48.90	\$49.20	\$49.50	\$49.80
	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57	\$63.97	\$64.38	\$64.78	\$65.18	\$65.58	\$65.98	\$66.39	\$66.79
	\$54.59	\$54.99	\$55.39	\$55.79	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42
	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03	\$63.44	\$63.84	\$64.24	\$64.64	\$65.05	\$65.45
\$3.70	\$45.10	\$45.40	\$45.70	\$46.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80	\$48.10	\$48.40	\$48.70	\$49.00	\$49.30	\$49.60	\$49.90	\$50.20
	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50	\$62.90	\$63.30	\$63.70	\$64.11	\$64.51	\$64.91	\$65.31	\$65.72	\$66.12	\$66.52	\$66.92	\$67.33
	\$55.12	\$55.52	\$55.93	\$56.33	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96
	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57	\$63.97	\$64.38	\$64.78	\$65.18	\$65.58	\$65.98
\$3.80	\$45.50	\$45.80	\$46.10	\$46.40	\$46.70	\$47.00	\$47.30	\$47.60	\$47.90	\$48.20	\$48.50	\$48.80	\$49.10	\$49.40	\$49.70	\$50.00	\$50.30	\$50.60
	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03	\$63.44	\$63.84	\$64.24	\$64.64	\$65.05	\$65.45	\$65.85	\$66.25	\$66.66	\$67.06	\$67.46	\$67.86
	\$55.66	\$56.06	\$56.46	\$56.87	\$57.27	\$57.67	\$58.07	\$58.47	\$58.88	\$59.28	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50
	\$59.68	\$60.08	\$60.49	\$60.89	\$61.29	\$61.69	\$62.10	\$62.50	\$62.90	\$63.30	\$63.70	\$64.11	\$64.51	\$64.91	\$65.31	\$65.72	\$66.12	\$66.52
\$3.90	\$45.90	\$46.20	\$46.50	\$46.80	\$47.10	\$47.40	\$47.70	\$48.00	\$48.30	\$48.60	\$48.90	\$49.20	\$49.50	\$49.80	\$50.10	\$50.40	\$50.70	\$51.00
	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57	\$63.97	\$64.38	\$64.78	\$65.18	\$65.58	\$65.98	\$66.39	\$66.79	\$67.19	\$67.59	\$68.00	\$68.40
	\$56.19	\$56.60	\$57.00	\$57.40	\$57.80	\$58.21	\$58.61	\$59.01	\$59.41	\$59.82	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03
	\$60.22	\$60.62	\$61.02	\$61.42	\$61.83	\$62.23	\$62.63	\$63.03	\$63.44	\$63.84	\$64.24	\$64.64	\$65.05	\$65.45	\$65.85	\$66.25	\$66.66	\$67.06
\$4.00	\$46.30	\$46.60	\$46.90	\$47.20	\$47.50	\$47.80	\$48.10	\$48.40	\$48.70	\$49.00	\$49.30	\$49.60	\$49.90	\$50.20	\$50.50	\$50.80	\$51.10	\$51.40
	\$62.10	\$62.50	\$62.90	\$63.30	\$63.70	\$64.11	\$64.51	\$64.91	\$65.31	\$65.72	\$66.12	\$66.52	\$66.92	\$67.33	\$67.73	\$68.13	\$68.53	\$68.94
	\$56.73	\$57.13	\$57.54	\$57.94	\$58.34	\$58.74	\$59.14	\$59.55	\$59.95	\$60.35	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57
	\$60.75	\$61.16	\$61.56	\$61.96	\$62.36	\$62.77	\$63.17	\$63.57	\$63.97	\$64.38	\$64.78	\$65.18	\$65.58	\$65.98	\$66.39	\$66.79	\$67.19	\$67.59